

ATTACHMENT

A

**FIRST AMENDMENT TO INTER MUNICIPAL AGREEMENT
VILLAGES OF CARTHAGE & WEST CARTHAGE
SEWER SYSTEM**

THIS AGREEMENT, made as of this 15 day of October, 2012 between the VILLAGE OF CARTHAGE, a municipal corporation organized under the laws of the State of New York, with its offices at 120 South Mechanic Street, Carthage, New York 13619, County of Jefferson State of New York, and the VILLAGE OF WEST CARTHAGE, a municipal corporation organized under the laws of the State of New York, with its offices at 61 High Street, Carthage, New York 13619, County of Jefferson, State of New York, (collectively, the "Villages").

RECITALS

1. The parties previously entered into an inter municipal agreement dated October 1, 2008 whereby they have agreed to own, operate and maintain a joint sewer treatment system for the two Villages.
2. While the parties do jointly own and maintain the wastewater treatment facility, the collection systems within each Village are separately owned and maintained.
3. It is the purpose of this agreement to set forth that understanding in more detail.

NOW, THEREFORE, in consideration of mutual promises and covenants contained herein and other good and valuable consideration it is agreed:

1. That each Village shall separately own and operate its sewage collection system within the respective boundaries of each Village which will be separate and apart and distinct from the sewer treatment facility located at tax map parcel number _____ which shall be considered to be jointly owned and operated.

2. This agreement is not intended to change any prior agreements, only to clarify them.

3. This agreement shall be effective as of June 2, 2012.

4. Each Village shall take full responsibility for the maintenance, repair, upkeep and liability associated with the operation of the sewage collection system within the boundaries of each individual Village with the exception of the jointly owned and operated sewer treatment facility.

5. The Village of Carthage agrees to indemnify and hold harmless the Village of West Carthage for any and all liabilities of any nature whatsoever associated with its ownership and operation of its separate sewer collection system within the Village of Carthage.

6. The Village of West Carthage agrees to indemnify and hold harmless the Village of Carthage for any and all liabilities of any nature whatsoever associated with its

ownership and operation of its separate sewer collection system within the West Village of Carthage.


7. Each Village shall separately insure its collection system within the its individual Village.

8. The two parties shall indemnify and hold harmless the other from any claims or damages for injury to personal property, real property or persons, including wrongful death rising out of the ownership or operation of their individual sewer collection systems.

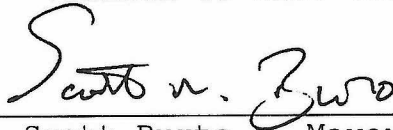
9. As to the joint sewer treatment facility, the Villages agree to separately insure its operation for any claims or damages for injury to personal property, real property or person, including wrongful death arising out of the ownership or operation of the joint sewer treatment facility and each agrees to indemnify and hold the other harmless from all such liabilities.

IN WITNESS WHEREOF, the parties hereto have hereunto
set their hands and seals as of the day and year first
above written.

VILLAGE OF CARTHAGE

By: 
G. Wayne McIlroy, President

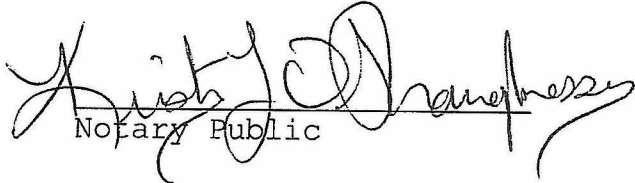
VILLAGE OF WEST CARTHAGE

By: 
Scott Burto, Mayor

ACKNOWLEDGEMENT

STATE OF NEW YORK)
) ss.:
COUNTY OF JEFFERSON)

On the 17 day of October in the year 2012 before me, the undersigned, a Notary Public in and for said state, personally appeared G. Wayne McIlroy, President, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.


Notary Public

STATE OF NEW YORK)
) ss.:
COUNTY OF JEFFERSON)

On the 22nd day of October in the year 2012 before me, the undersigned, a Notary Public in and for said state, personally appeared Scott Burto, Mayor, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.


Notary Public

DEBORAH J. PIERCE
Notary Public, State of New York
No. 01PI6052045
Qualified in Jefferson County
Commission Expires Dec. 11, 20 14

ATTACHMENT

B

COPY

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT, made this 24 day of July, 1991, between the 'VILLAGE OF WEST CARTHAGE', a municipal corporation organized under the laws of the State of New York, with its offices at West Carthage, New York, hereinafter referred to as "Village" or "Village of West Carthage" and CLIMAX MANUFACTURING COMPANY, a corporation organized under the laws of the State of New York, and having an office and place of business at Champion Street in the Village of West Carthage, and Climax Street, Castorland, New York, hereinafter referred to as "Corporation".

R E C I T A L S

- 1) The New York State Department of Environmental Conservation has directed the Village to comply with the laws and regulations relating to the discharge of waste into public waters of New York in connection with the disposal of sludge created at the Joint Sewage Treatment Plant operated by the Villages of Carthage and West Carthage through the Joint Management Board.
- 2) Stearns & Wheler, engineers for the Villages of Carthage and West Carthage, have prepared a Sludge Management Plan from the Sludge Treatment and Disposal Study for the Carthage/West Carthage Water Pollution Control Facilities, which study recommends the construction of certain sludge treatment and disposal facilities to be located at and operated as a part of the sewage treatment plant.
- 3) The Joint Management Board has determined to proceed with the construction of the sludge treatment facilities as outlined in the report of Stearns & Wheler ("the Facility").
- 4) The cost to construct the Facility is estimated to be 3.845 million. The Village of Carthage has agreed to be responsible for the 52% of the capital cost associated with the Facility and the Village of West Carthage has agreed to be responsible for the remaining 48%.

5) The Village and Climax Manufacturing Company, have previously entered into an agreement dated September 25, 1969, a copy of which is annexed as Exhibit A (the "Existing Agreement"), which specifies the terms and conditions for the provision of sewage service to the Corporation by the Village.

6) The Village and the Corporation desire to supplement the Existing Agreement to allocate between each other their payment obligations with respect to the Village's 48% of the cost of the Facility.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, and other good and valuable consideration, receipt of which is hereby acknowledged, it is agreed as follows:

1. The Existing Agreement is hereby supplemented only to the extent set forth in this Agreement. The provisions of the Existing Agreement dealing with prior capital programs and/or allocations of operation and maintenance expenses for the sewage treatment plant shall remain in full force and effect and shall apply to the operations of the sewage treatment plant as expanded by the addition of the Facility.

2. The users of the sewage treatment plant are expected to contribute solids comprising sludge for treatment in the following percentages: Village of Carthage-12%, Village of West Carthage - 6%, Carthage Central School District (the "School District") - 2%; The Corporation - 40%;

and James River II, INC. - 40%. These percentages and the respective allocations of the Facility's capital cost among its users are based upon estimates of pounds of solids contributed by each user prepared by Ronald J. Novak, P.E., chief operator of the sewage treatment plant and set forth in Exhibit

B annexed hereto. Based upon such estimates, 52% of the total capital cost is allocated to the Village of Carthage and 48% to the Village of West Carthage. Of the 52% allocated to the Village of Carthage, 76.92% is attributable to the Corporation and 23.08% to the Village. Of the 48% allocated to the Village of West Carthage, 83.33% is attributable to the Corporation 12.5% to the Village and 4.17% to the School District.

3. The Village hereby agrees to issue its bonds to finance its 48% of the total cost associated with the construction and equipping of the Facility, including legal and engineering costs and costs associated with the issuance of such bonds (the "Facility Bonds"), pursuant to the authority granted it under the local Finance Law of the State of New York and subject to any provisions provided in that law for permissive referendum on such bond issue. The Village further agrees to work with and use all reasonable efforts to cause the Joint Management Board to construct the Facility in accordance with the plans of Stearns & Wheeler and in accordance with all applicable laws and regulations, including the acquisition of all necessary permits.

4. The Corporation agrees to be responsible for the payment of 83.33% of the Village's obligation evidenced by the Facility Bonds.

5. The Corporation shall pay the Village 83.33% of each payment of principal and/or interest on the Facility Bonds prior to such payments becoming due. The Village shall notify the the Corporation sixty (60) days in advance of each payment.

6. James River II, Inc. and the Corporation have agreed that if in any year, the actual volume of solids provided to the sewage treatment plant by either or both of them exceeds five times the total solids provided in the aggregate by the Villages and the School District, assuming the Villages and the School District in the aggregate contribute not less than 1,500 pounds, then James River II, Inc. and the Corporation will pay, in addition to what they would normally pay, the percentage of that year's principal and/or interest cost on the Facility equal to the difference between the actual percentage of total solids contributed to the sewage treatment plant by them and 80 percent. The Villages have agreed to allocate such excess contributions by James River II, Inc. and/or the Corporation among themselves based upon the percentage of such excess attributable individually to James River II, Inc. and to the Corporation. The Corporation shall be obligated to pay to the Village of West Carthage the percentage of such excess allocable to the Village of West Carthage resulting from the Corporation's contribution of solids to the sewage treatment plant.

7. The Villages of Carthage and West Carthage and the School District have agreed that if in any year the actual volume of solids provided by them exceeds in the aggregate 2,000 pounds and further, that poundage attributable to the Villages and the School District becomes 25% or more of the entire pounds of solids per day received by the sewage treatment plant, then the principal and/or interest payments

on the Facility to be paid by the Villages and the School Districts shall increase in increments of 5% for each 5% increase in solids over 25%, (adjustment to be made at 25%, then at 30%, etc.) and the cost allocated to the Corporation and James River II, Inc. shall be reduced accordingly as the result of such increase. In such event, the amounts payable to the Village of West Carthage by the Corporation under the terms of this Agreement shall be appropriately reduced.

8. The Corporation does hereby guarantee to the Village that the Corporation shall pay its entire share of all principal and/or interest payments due on the Facility Bonds as allocated to it in the Agreement, regardless of whether or not the Corporation continues to operate its plant in the Village of West Carthage. The Corporation shall continue to make payments to the Village of West Carthage to satisfy its share of the Village's obligations under the Facility Bonds based upon the formulas outlined above for as long as the Facility Bonds are outstanding, subject to the provisions of Paragraph 9.

9. (a) In the event the Corporation shall sell or convey its plant and/or operations within the Village, the Corporation has agreed to require the Corporation's successor in interest to assume its Agreement by written instrument. Unless the parties otherwise agree in writing, the Corporation has agreed to remain secondarily liable for the portion of the outstanding Facility Bond amount that it would have been required to pay to the Village but for such sale or conveyance. If the Corporation is able to show that its successor has adequate financial

and other resources to assume the Corporation's obligations under this Agreement, the Village shall not unreasonably withhold its consent to the release of the Corporation from secondary liability hereunder.

(b) Upon the failure of any successor or successors in interest to the Corporation's plant to make payments on the Facility Bonds to the Village when due, the Corporation shall, upon demand from the Village, pay the same and hold harmless the Village against any and all loss occasioned by any such payment default. It shall not be necessary as a condition precedent to the Village's demand for payment that the Village pursue by litigation, the collection of the same from the Corporation's successor. Notwithstanding the foregoing, if the Village has agreed and consented in writing to release the Corporation from secondary liability with respect to any successor's obligations assumed under this Agreement, then, the Corporation shall not be liable for any payment default of any such successor or any losses resulting therefrom.

10. As security for the faithful performance of its obligations under the terms of its Agreement, the Corporation has agreed to pay to the Village, an amount equal to the Corporation's share of one year's debt service on the Facility Bonds. This money shall be held by the Village in an interest bearing account earmarked for the retirement of the Facility Bonds. The interest earned on such account shall be remitted annually to the Corporation or applied to reduce its annual

payment to the Village as the Corporation may request. The escrowed funds will be held and applied to the Corporation's portion of the final payment due on the Facility Bonds, and any funds in excess of the amount required shall be returned to the Corporation.

11. In the event the Corporation defaults in respect to any payment required to be made under its Agreement, the Village without notice to the Corporation, may use, apply or retain the whole or any part of the security deposited under Paragraph 10 to cure such default and any loss occasioned as a result thereof. In the event the Village applies the security or any part thereof to the payment of any obligation of the Corporation, under its Agreement, the Village shall notify the Corporation or its successor shall within thirty (30) days after the giving of such notice, deposit the like sum in cash with the Village to be held and administered as security hereunder as set forth in Paragraphs 10 and 11.

12. It is understood and agreed that any and all funds advanced by the Corporation to the Village for engineering fees associated with this project which to date equal Eighty-Four Thousand Dollars and no/100 (\$84,000.00) shall be reimbursed to the Corporation upon issuance of the Facility Bonds.

13. Notwithstanding the above, the Village may exercise all its rights and privileges in the event of any default by the Corporation as if no security has been deposited.

14. This Agreement and the stipulations herein shall be binding upon the legal representatives, successors and assigns of the parties.

15. No person, corporation, association or any group or combination thereof outside of the parties hereto shall have any rights or interests under this contract, it being the express intent of the parties to exclude all third party beneficiaries and all third party claims, demands, actions, causes of action and suits hereunder.

16. This Agreement shall be governed under and pursuant to the laws of the State of New York.

17. All provisions contained in this Agreement are severable. In the event any provision of this Agreement shall, for any reason, be held to be invalid, illegal, or unenforceable in any respect, such determination shall not affect any other other provision of the Agreement and this Agreement shall be construed as if invalid, illegal or unenforceable provision had never been contained herein.

18. Notices or communications required to be given under this Agreement shall be given in writing and shall be delivered to the following addresses or such others as the parties may indicate:

To the Corporation:	Climax Street Castorland, New York
To the Village	: 61 High Street West Carthage, New York 13619

19. The provisions of this Agreement may be waived or amended only with the written consent of the parties hereto.

STATE OF NEW YORK
COUNTY OF JEFFERSON

On this 27th day of August, 1991, before me personally came, Lee T. Hirschey, who, being sworn, did depose and say that he resides at Champion, New York, that he is President of Climax Manufacturing Company, Castorland, New York, that Corporation, described in and which executed the foregoing instrument; that he knew the seal of said Corporation; the seal affixed to said instrument was such corporate seal: that it was so affixed by order of the Board of Directors of said Corporation, and that he signed his name thereto by like order.

Helen M. Ormiston
NOTARY PUBLIC

HELEN M. ORMISTON
Notary Public, State of New York
No. 4864418
Qualified in Jefferson County
Commission Expires 4-28-91

STATE OF NEW YORK)
COUNTY OF JEFFERSON) SS.:

On this 1st day of August, 1991, before me personally came and appeared Donald Getman, to me known, who, being duly sworn, did depose and say that he resides in the Village of West Carthage, that he is the Mayor of the Village of West Carthage, the municipal corporation described in and which executed the foregoing instrument; that he knows the seal of said corporation; that one of the seals is affixed to said instrument is such that seal, that it was so affixed by order of the Village Board, and that he signed his name thereto by like order.

Anna Clemons
NOTARY PUBLIC

ANNA CLEMONS
NOTARY PUBLIC, STATE OF NEW YORK
JEFFERSON COUNTY
No. 6907025
COMMISSION EXPIRES APRIL 4, 1992

COPY

THIS AGREEMENT, made this 25th day of September, 1969, between the 'VILLAGE OF WEST CARTHAGE', a municipal corporation organized under the laws of the State of New York with its office at the Village Hall in the Village of West Carthage, County of Jefferson, State of New York, hereinafter referred to as the "VILLAGE", and

CLIMAX MANUFACTURING CORPORATION, a corporation organized under the laws of the State of New York and having an office and principal place of business at West Carthage, New York, hereinafter referred to as the "CORPORATION."

WITNESSETH:

WHEREAS, the VILLAGE and the CORPORATION are under direct orders from the Commissioner of Health of the State of New York, to comply with the laws and regulations relating to the discharge of wastes into the public waters of New York; and

WHEREAS, a Wastewater Facilities Report prepared by Hazen and Sawyer Engineers, and dated September, 1968, recommends the construction of wastewater disposal facilities by a joint arrangement between the Village of Carthage and West Carthage, the Carthage Central School District, the Crown Zellerbach Corporation and the Climax Manufacturing Company; and

WHEREAS, the aforesaid Wastewater Facilities Report sets forth the nature, quantity and quality of waste originating within the Villages of Carthage and West Carthage, the Carthage Central School District, including industrial waste from Crown Zellerbach Corporation, Climax Manufacturing Company; and

WHEREAS, the aforesaid Wastewater Facilities Report sets forth specific recommendations as to the allocation of the cost of construction, operation and maintenance of such sewage treatment works by the Villages, the respective Industries located therein, and the Carthage Central School District located within the Town of Champion; and

WHEREAS, the New York State Pure Waters Authority at the request of the Villages of Carthage and West Carthage did submit to the governing bodies of such Villages a Proposal whereby the Authority would provide for the treatment and disposal of sewage originating within said municipalities by means of sewage treatment works financed, constructed, operated, maintained and owned by the Authority as set forth in the aforesaid Wastewater Facilities Report; and

WHEREAS, the VILLAGE having duly examined and considered the said Wastewater Facilities Report, the aforesaid Proposal submitted by the New York State Pure Waters Authority, and the various alternatives for abatement of pollution, has determined that the most efficient method of accomplishing the project would be pursuant to a contract between the VILLAGE acting jointly with the Village of Carthage and the New York State Pure Waters Authority, whereby the Authority would construct, operate and own the sewage treatment works to receive, treat and dispose of sewage and industrial wastes transported and conveyed to said sewage treatment works through the sewage collecting systems of the VILLAGE and of the Village of West Carthage; and

WHEREAS, pursuant to such contract with the Authority, the Villages will be required to pay to the Authority annually or as otherwise specified in said contract certain Contract Payments and Bond Anticipation Note Contract Payments; and

WHEREAS, the CORPORATION has an industrial plant in the Village of West Carthage and desires to have sewage consisting of industrial waste and sanitary sewage from such plant treated and disposed of; and

WHEREAS, the CORPORATION in order to induce the VILLAGE to enter into such contract with the Authority, and to insure the VILLAGE that the amounts payable under such contract with the Authority will not constitute an undue burden upon the property in the VILLAGE, has represented that the CORPORATION is desirous of paying to the VILLAGE, a proportionate share of the the amounts payable under such contract with the Authority;

NOW, THEREFORE, it is mutually agreed as follows:

1. The VILLAGE agrees to enter acting jointly with the Village of Carthage into such Contract with the New York State Pure Waters Authority whereby the Authority will finance, construct, own, operate and maintain a sewage treatment works for treatment and disposal of sewage from the VILLAGE and the Village of Carthage.

2. The VILLAGE agrees for the term of such Contract to receive and dispose of in the VILLAGE sewer system, sewage consisting of industrial waste and sanitary sewage from the CORPORATION'S industrial plant located in the Village of West Carthage, such waste and sewage to be further transported and conveyed to the sewage treatment works owned, operated and maintained by the New York State Pure Waters Authority under such contract with the VILLAGE and the Village of Carthage acting jointly. The CORPORATION shall make the necessary connections from its industrial plant to the VILLAGE sewer system. Prior to disposing of its sewage, consisting of industrial waste and sanitary sewage from its industrial plant, the CORPORATION shall perform such pretreatment as shall be necessary to assure that said industrial wastes are capable of being treated in the Authority's sewage treatment works.

3. The VILLAGE agrees to accept such sewage, consisting of industrial waste and sanitary sewage, into its sewage system without limitation as to flow within the capacity assigned to the CORPORATION as set forth in Schedule A. The VILLAGE with the approval of the Authority may consent to accept such sewage in excess of such assigned capacity, provided that no undue burden is placed upon the sewage treatment works as a result thereof, that no unreasonable harm will be done to the sewage treatment works as a result thereof, and the treatment of the normal volume of industrial and sanitary waste and sewage of other users of the sewage treatment works shall not be adversely affected. Acceptance of such sewage from the CORPORATION shall also be subject to the applicable provisions of any sewer use ordinance adopted by the VILLAGE.

4. The CORPORATION agrees to pay such taxes, assessments and/or sewer rents that may be levied or charged against the property of the CORPORATION by the VILLAGE for the purpose of raising amounts required to be paid by the VILLAGE as Contract Payments and Bond Anticipation Note Contract Payments pursuant to the terms of the aforesaid contract with the New York State Pure Waters Authority, such taxes, assessments and/or sewer rents to be applied toward payment of the Annual Minimum Charge as determined and set forth in Schedule A which is hereto attached and made a part hereof. In the event that the total annual amount of such taxes, assessments and/or sewer rents paid or to be paid by the CORPORATION for such purpose is less than the Annual Minimum Charge for the CORPORATION determined for the corresponding annual period, the CORPORATION shall pay to the Village the difference between the total amount of such taxes, assessments or sewer rents paid or to be paid and the Annual Minimum Charge. The VILLAGE shall determine such Annual Minimum Charge for the CORPORATION in accordance with Schedule A and notify the CORPORATION of the amount of such Annual Minimum Charge at least twenty (20) days before the commencement of the annual period covered by such Annual Minimum Charge. Payment of such Annual Minimum Charge shall be scheduled in four quarterly installments during each annual period, in such a manner that each such installment plus the taxes, assessments or sewer rents falling due on or before such installment, shall be received by the VILLAGE at least ten (10) days before the due date of the applicable quarterly payment of Contract Payments and Bond Anticipation Note Contract Payments payable by the VILLAGE to the Authority.

5. The obligation of the CORPORATION to pay the Annual Minimum Charge shall continue as long as the VILLAGE is required

increase in the amount of sewage or industrial waste of any industry other than the CORPORATION being treated by the Authority pursuant to the contract with the VILLAGE, or by virtue of the treatment of sewage from areas within the corporate boundaries of the Village.

6. In the event that the CORPORATION shall sell or convey its plant and/or operation within the VILLAGE, the CORPORATION agrees to require the CORPORATION'S successor in interest to assume this Agreement by written instrument, and the CORPORATION agrees to remain secondarily liable for that portion of the Annual Minimum Charge determined pursuant to FORMULA III in Schedule A. Upon the failure of any its successor or successors in interest to the property owned or operated within the VILLAGE to pay such equivalent portion of the Annual Minimum Charge to the VILLAGE, the CORPORATION shall pay same and/or hold harmless the VILLAGE against any and all loss occasioned by such default. It shall not be necessary, as a condition precedent to VILLAGE'S demand that the CORPORATION pay such charges, that the VILLAGE pursue by litigation the collection of same from the CORPORATION'S successor.

7. As security for the faithful performance of its obligations under the terms of this contract, the CORPORATION agrees to pay to the VILLAGE an amount equal to five (5) times the presently estimated Annual Minimum Charges, less the presently estimated portion thereof representing expenses attributable to operation and maintenance. Such payment by the CORPORATION to the VILLAGE shall be in three annual installments payable on or before the fifteenth day of November of each respective year as follows; provided, however, the aggregate thereof shall be paid in full prior to the placing in operation of the sewage treatment works by the New York State Pure Waters Authority:

1969	\$34,288
1970	\$34,288
1971	\$34,288

Such security as provided for above shall be deposited by the VILLAGE in separate escrow account in a bank or trust company authorized to do business in the State of New York and may be invested by the Village Treasurer in the same manner as he may be authorized to invest moneys of the Village pursuant to the provisions of the General Municipal Law of the State of New

York. The interest earned thereon or the income thereof, shall be paid by the VILLAGE to the CORPORATION on or before the fifteenth day of November of each year, together with a statement showing the amounts invested, securities invested in and income earned thereon.

Following the tenth anniversary date of this Contract the security provided for herein may from time to time be reduced provided the CORPORATION is not in default and the New York State Pure Waters Authority consents thereto in writing.

In the event that the CORPORATION defaults in respect to any of the terms, provisions, covenants and conditions of this Agreement herein, including but not limited to the payment of sewer rents, taxes, assessments or the Annual Minimum Charge which the CORPORATION is obligated to pay, the VILLAGE without notice to the CORPORATION, may use, apply or retain the whole or any part of the security so deposited, to and for the payment of any such sewer rents, taxes, assessments or the Annual Minimum Charge with respect to the payment for which the CORPORATION is in default. In the event that the VILLAGE applies the security or any part thereof to the payment of any obligation of the CORPORATION under this Agreement, the Village shall notify the CORPORATION or its successor of the amount of the security so applied and the CORPORATION or its successor shall within (30) days after the giving of such notice deposit a like sum in cash with the VILLAGE to be held and administered as security hereunder.

Notwithstanding the above the VILLAGE may exercise all its rights and privileges in the event of any default by the CORPORATION as if no security had been deposited.

8. Nothing herein is intended in any way to limit the VILLAGE'S power of taxation, assessment, or its power to determine

9b. The obligation of the CORPORATION to perform this agreement shall be qualified by the terms and conditions set forth in Attachment A attached hereto and made a part hereof.

9c. The term of this Contract herein shall be the same as the term of the Contract between the New York State Pure Waters Authority and the Village of Carthage and the Village of West Carthage acting jointly.

10. Further incorporation by reference for definition of terms and all applicable provisions is made of the Contract between the Authority and the Villages of Carthage and West Carthage, the Contract between the Villages of Carthage and West Carthage, and the Resolution of the Authority, all of which shall be on file in the Office of the Clerk of the Village of Carthage and the Clerk of the Village of West Carthage.

11. Any controversy or claim arising out of, or relating to this contract, or the breach thereof, shall be settled by arbitration in accordance with the Rules of the American Arbitration Association, and judgment upon the award rendered by the arbitrator may be entered in any Court having jurisdiction thereof.

12. Should any item, paragraph, sentence, clause or phase of this Agreement be declared unconstitutional or invalid for any reason by any Court of competent jurisdiction, the remainder of this Agreement shall not be affected thereby.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hand and seals the day and year first above written.

VILLAGE OF WEST CARTHAGE

(SEAL)

By:

William J. Peterson Meyer
(L.S.)

CLIMAX MANUFACTURING COMPANY

(SEAL)

By:

R. H. [Signature]
(L.S.)

SCHEDULE A

DETERMINATION OF THE ANNUAL MINIMUM CHARGE

The Annual Minimum Charge shall be determined as set forth in Step 3 hereinafter. The procedures in Steps 1 and 2 are set forth for informational purposes and to show the underlying basis of Step 3.

STEP 1 The VILLAGE, and the Village of Carthage, under their joint Contract with the Authority, are required to make Contract Payments to the Authority consisting of a total of the following items:

- A. An amount equal to the principal and Redemption Price of and interest on the Municipality's Contract Obligations and the Municipality's Debt Service Reserve Fund Obligations, as determined by the Authority in accordance with the provisions of Section 609 of the Resolution.
- B. An amount equal to the Administrative and Operating Expenses of the Authority with respect to the Project and the Annual Administrative Fee;
- C. An amount equal to the costs and expenses of the Authority incurred in connection with the authorization, issuance, sale and delivery of the Bonds and Notes issued with respect to the Project;
- D. An amount equal to the Municipality's Allocable Proportion of the fees and expenses of the Trustee, Depository and Paying Agents;
- F. An amount equal to such other necessary and reasonable costs of operating and maintaining, and directly attributable to such Project.
- G. An amount equal to the actual costs of repair and replacement of the Project in excess of the proceeds of any insurance available for the payment of same.

Contract Principal Payments are payable annually, Contract Interest Payments are payable semi-annually, and all other Contract Payments (exclusive of Contract Principal Payments and Contract Interest Payments) are payable quarterly.

The VILLAGE and the Village of Carthage, under their joint Contract with the Authority, shall make such Bond Anticipation Note Contract Payments as may be provided for in any resolution of the Authority authorizing the issuance of Bond Anticipation Notes.

STEP 2 The VILLAGE and the Village of Carthage agree to share among them-
(Continued) selves the payment of the Bond Anticipation Note Contract Payments on the basis of Formula I, subject to the following qualifications:

FORMULA I assigns 64.2% of the Bond Anticipation Note Contract Payments to the Village of Carthage and 35.8% thereof to the Village of West Carthage.

NOTE: The same Note appearing heretofore under Step 2 providing for adjustment of FORMULA I in event the VILLAGE and the Carthage Central School District have not entered into a legally binding contract at the time of commencement of construction applies here.

The amounts paid by the VILLAGE under the foregoing FORMULA are designated as the Village Share of Bond Anticipation Note Contract Payments of the VILLAGE (Village of West Carthage).

In fixing the amount of the Village Share of Contract Payments of each Village in addition to use of all of the foregoing FORMULAS, adjustment in such amount shall be made to reflect the proportionate effect of any adjustment (debit or credit) made for Contract Payments by the Authority under the terms of its Contract with the Village of Carthage and the Village of West Carthage. Similarly, adjustment in such amount shall be made to reflect the proportionate effect of any supplemental Contract Payments or any credit in ensuing Contract Payments under the terms of the Contract with the Authority

The Village Share of Contract Payments of each Village shall be computed on an annual basis. Each annual Village Share shall cover a period such as will correspond with the fiscal year utilized in the Contract between the Authority and the Village of Carthage and the Village of West Carthage or such other twelve months period designated by the Villages and the Authority as will enable the Villages to obtain funds to make their Contract Payments to the Authority at the times required under the terms of the contract with the Authority. Initially at the commencement of operation of the Sewage Treatment Works the first annual Village Share period can be prorated for a partial period of less than twelve months in order that the next annual Village Share can cover the normal designated period.

In using FORMULA II in the determination of the annual Village Share of Contract Payments of each Village, the flow of sewage is to be that measured cumulatively over a twelve month period preceding such annual Village Share period, and the biochemical oxygen demand (BOD) and suspended solids (SS) are those measured cumulatively on a daily composite sample over such twelve month period. If agreed to by the parties, measurement for flow, biochemical oxygen demand or suspended solids for use in FORMULA II can be based on a period other than the preceding twelve months. All measuring and sampling performed for use in FORMULA II shall be made on a consistent basis with the measuring and sampling performed for use in similar FORMULA under the Contract between the Village of West Carthage and Climax Manufacturing Company. Initially at the commencement of operation of the Sewage Treatment Works before measurement and sampling for such periods is available, the estimates of Hazen and Sawyer, for flow of sewage, biochemical oxygen demand and suspended solids are to be used in FORMULA II.

The percentages assigned to each Village under FORMULA I shall remain fixed for the duration of this Contract except as provided in the Note under Step II.

STEP 3 The Annual Minimum Charge shall be made up of the Contract Payment
(Continued) portion determined on the basis of FORMULA III and FORMULA IV and the Bond Anticipation Note Contract Payment portion determined on the basis of FORMULA III.

Each Annual Minimum Charge shall cover a period such as will correspond with the fiscal year utilized in the Contract between the Authority and the Village of Carthage and the Village of West Carthage or such other twelve month period designated by the VILLAGE and the Authority as will enable the VILLAGE to obtain the funds to make its Contract Payments and Bond Anticipation Note Contract Payments to the Authority at the times required under the terms of the contract with the Authority. Initially at the commencement of operation of the Sewage Treatment Works, the first Annual Minimum Charge can be prorated for a partial period of less than twelve months in order that the next Annual Minimum Charge can cover the normal designated period.

In using FORMULA IV in the determination of each Annual Minimum Charge, the flow of sewage is to be that measured cumulatively over a twelve month period preceding such Annual Minimum Charge period, and the biochemical oxygen demand (BOD) and suspended solids (SS) are those measured cumulatively on a daily composite sample over such twelve month period. If agreed to by the parties, measurement for flow, biochemical oxygen demand or suspended solids for use in FORMULA IV can be based on a period other than the preceding twelve months. All measuring and sampling performed for use in FORMULA IV shall be made on a consistent basis with the measuring and sampling performed for use in FORMULA II herein. Initially at the commencement of operation of the Sewage Treatment Works before measurement and sampling for such periods are available, the estimates of Hazen and Sawyer, Engineers, for flow of sewage, biochemical oxygen demand and suspended solids are to be used in FORMULA IV.

In the event that the CORPORATION ceases to operate its industrial plant in the Village of West Carthage or ceases to deliver sewage for treatment, the CORPORATION'S obligation to pay the Annual Minimum Charge determined on the basis of FORMULA III shall continue unchanged. However, in such event, the portion of the Annual Minimum Charge determined on the basis of FORMULA IV shall be modified for the period after the date of such cessation of operation or cessation of delivery of sewage as follows. The CORPORATION'S obligation to pay the portion of the Annual Minimum Charge determined on the basis of FORMULA IV shall be limited to a terminal amount covering (1) the period from the date of such cessation of operation or cessation of delivery of sewage to the end of the Authority's fiscal year or to the end of such other twelve month period designated for the Annual Minimum Charge by the VILLAGE and the Authority as aforesaid, or (2) a six (6) month period from the date of such cessation of operation or cessation of delivery of sewage, whichever period (1) or (2) is longer. After payment of such terminal amount for period (1) or (2), the CORPORATION shall continue to pay the Annual Minimum Charge based on FORMULA III, but shall have no further obligation under FORMULA IV, unless the CORPORATION resumes operating its industrial plant or resumes delivering sewage. In order to utilize FORMULA IV to arrive at the terminal payment for period (1) or (2), the flow of sewage, the biochemical oxygen demand (BOD) and the suspended solids (SS) for the VILLAGE and the CORPORATION shall be in the same proportion as in the last computation of the Annual Minimum Charge made before the date of cessation of operation or cessation of delivery of sewage. Nothing in the foregoing shall be deemed to relieve a successor-in-interest to the CORPORATION from the obligation to make payments to the VILLAGE for the operation and maintenance costs of the Sewage Treatment Works, if such successor-in-interest commences to operate the plant or to deliver sewage, following the time the CORPORATION ceases to operate or to deliver sewage.

SCHEDULE ACAPACITY

The capacity assigned to the CORPORATION, referring to the sewage from the CORPORATION being treated at the Authority's Sewage Treatment Plant, is an average flow of 850,000 gallons daily, an average of 1,700 pounds of biochemical oxygen demand (BOD) daily and an average of 2,200 pounds of suspended solids (SS) daily; all determined on a monthly basis.

SCHEDULE A

The following terms shall have the following meanings unless the context shall clearly indicate some other meaning:

"Administrative and Operating Expenses" shall mean the Authority's reasonable and necessary expenses of carrying out and administering its powers, duties and functions in connection with the operation or maintenance of Projects, as authorized by the Act, and shall include without limiting the generality of the foregoing: administrative expenses, legal, accounting, engineering and consultant's services and expenses, insurance premiums, payments to pension, retirement, health and hospitalization funds, and any other expenses required or permitted to be paid by the Authority under the provisions of the Act or this Resolution or otherwise provided, however, that "Administrative and Operating Expenses" shall not include any provisions for (i) depreciation, amortization or similar charges, (ii) costs or expenses incurred for Construction or (iii) deposits or transfers of monies to the credit of any fund or account established hereunder.

"Annual Administrative Fee" shall mean the annual fee payable to the Authority by a Municipality as part of the Contract Payments required to be made for the services rendered by the Authority in respect of the financing, construction, operation and maintenance of a Project, but not including Operating and Administrative Expenses, in respect of which such Contract Payments are required to be made, in the amount and as stated or defined in the applicable Series Resolution.

"Authority" shall mean the New York State Pure Waters Authority, a body corporate and politic constituting a public benefit corporation created by the Act, or any body, agency or instrumentality of the State which shall hereafter succeed to the powers, duties and functions of the Authority.

"Bond" or "Bonds" shall mean any Bond or the issue of Bonds, as the case may be, established and created by this Resolution and issued pursuant to a Series Resolution.

"Construction Administrative Fee" shall mean the fee, payable to the Authority for its advisory services, services rendered in connection with design, financing and construction of the Project in respect of which such payment is payable and other similar services rendered during the Period of Construction in the amount and as stated or defined in the applicable Series Resolution.

"Contract Interest Payment" shall mean that portion of a Contract Payment made or required to be made by a Municipality to the Authority pursuant to a Contract which represents the payment of interest due or to become due on the Municipality's Contract Obligations in respect of the Project to which such Contract relates.

"Contract Payment" shall mean the amounts paid or required to be paid, from time to time, by a Municipality to the Authority pursuant to a Contract (which amounts paid or required to be paid shall be at least sufficient to meet the requirements of Section 911), but shall not include the amounts paid or required to be paid, from time to time, by such Municipality to the Authority pursuant to such Contract in respect of Notes.

"Contract Principal Payment" shall mean that portion of a Contract Payment made or required to be made by a Municipality to the Authority pursuant to a Contract which represents the payment of principal due or to become due on the Municipality's Contract Obligations in respect of the Project to which such Contract relates.

legal fees, fees and expenses of the Trustee, the Depository and Paying Agents of the Bonds during the Period of Construction of the Project, cost of issuance of the Bonds and financing charges and fees and expenses of financial advisers or consultants in connection therewith properly chargeable to the Project, costs of audits, the cost of all machinery, apparatus and equipment, cost of engineering, architectural services, plans, specifications and surveys, estimates of cost, the reimbursement of all moneys advanced or applied by the State, or any agency or instrumentality thereof, or otherwise, for the payment of any item or items of cost of the Project, and all other expenses necessary or incident to determining the feasibility or practicability of the Project, and such other expenses not specified herein as may be necessary or incident to the acquisition, construction, development and equipment of the Project, the financing thereof and the placing of the same in operation.

"Resolution" shall mean this General Contract Revenue Bond Resolution as from time to time amended or supplemented by Supplemental Resolutions in accordance with the terms and provisions hereof.

"Sewage Treatment Works" shall mean a facility for the purpose of treating, neutralizing or stabilizing sewage, including treatment or disposal plants, the necessary intercepting, outfall and outlet sewers, pumping stations integral to such plants or sewers, equipment and furnishings thereof and their appurtenances.

"Trustee" shall mean the bank or trust company appointed pursuant to Section 501 to act as trustee hereunder, and its successor or successors and any other bank or trust company at any time substituted in its place pursuant to this Resolution.

ATTACHMENT A

Notwithstanding any of the foregoing provisions to the contrary, if a federal grant offer (Part A - Offer and Acceptance of the Federal Grant) is not received by the Authority from the Federal Water Pollution Control Administration by October 1, 1970, the CORPORATION acting jointly with the Crown Zellerbach Corporation may elect to terminate this agreement herein. Such election must be made in writing by a letter executed by the CORPORATION and the Crown Zellerbach Corporation and mailed no later than November 1, 1970, by registered mail to the Village Clerk, Village Offices, Carthage, New York, 13619, and to the Village Clerk, Village Offices, West Carthage, New York, 13619. In the event of such termination the CORPORATION shall be liable jointly with Crown Zellerbach Corporation for their joint proportionate share of all costs incurred by the VILLAGE and the Village of Carthage under their contract with the Authority, with the exception of land acquisition costs and legal costs related to land acquisition. Such costs shall include but not necessarily be limited to amounts expended or incurred by the Authority to the date of termination for engineering services, legal services and shall include the Construction Administration Fee of the Authority. The proportionate part of such costs and fee to be paid by the CORPORATION jointly with the Crown Zellerbach Corporation shall be determined by the ratio that the sum of the estimated construction cost of the sewage treatment plant and the estimated construction costs of the Interceptors serving the CORPORATION and the Crown Zellerbach Corporation bears to the estimated construction cost of the entire project including the sewage treatment plant and all interceptors. Such estimates shall be based on the computations of Hazen and Sawyer, Consulting Engineers. The CORPORATION jointly with the Crown Zellerbach Corporation shall pay their proportionate part of such costs and fee to the VILLAGE and the Village of Carthage in full by December 1, 1970. In the event of the termination hereunder, the amounts deposited by the CORPORATION under paragraph 7 as security, and any such amounts deposited by Crown Zellerbach Corporation shall be credited jointly against such costs. The excess of such deposits, if any, shall be refunded proportionately to the CORPORATION and Crown Zellerbach Corporation.

AGREEMENT

THIS AGREEMENT, made this 15th day of October, 2008 between the VILLAGE OF CARTHAGE, a municipal corporation organized under the laws of the State of New York, with its offices at 120 South Mechanic Street, Carthage, New York 13619, County of Jefferson State of New York, and the VILLAGE OF WEST CARTHAGE, a municipal corporation organized under the laws of the State of New York, with its offices at 61 High Street, Carthage, New York 13619, County of Jefferson, State of New York, (collectively, the "Villages").

WITNESSETH:

WHEREAS, the villages have jointly owned and operated a sewer treatment facility for many years, and

WHEREAS, the Villages are desirous of continuing to act jointly in performance of municipal cooperative activities for said sewer facilities,

NOW, THEREFORE, it is mutually agreed as follows:

1. The Villages agree to act jointly in connection with the sewage treatment works.
2. The Villages agree to establish a Management Board, hereinafter referred to as the "Board", to oversee and to manage the operation of the sewage treatment works. The said Board now consists of

seven (7) members: three (4) Trustees from the Village of Carthage, which includes the President as Chairman of the Management Board, and Three (3) Trustees from the Village of West Carthage, which may include the Mayor. The Trustees from each Village shall be selected by the respective Village Board.

3. The manager of the plant shall have an advisory non-voting position on the Management Board.
4. The Villages agree to cooperate reasonably with each other, and in the event of a dispute on which they do not reach agreement, the Villages agree to binding arbitration with the American Arbitration Association pursuant to its rules. The villages agree that should the minority vote on the Management Board consist of 100% of the representation of a village on the Management Board, that minority would have the option to refer the dispute to binding arbitration as aforesaid.
5. The Villages agree to share among themselves the Contract Payments payable to the waste treatment plant joint activity account under such contract

in the amount and manner set forth in Schedule "A" attached hereto and made a part hereof.

6. Each Village shall pay its respective Village share of the contract payments as determined in accordance with Schedule "A" at the time specified in such contract.
7. The Villages agree that sewage may be measured and sampled, as set forth in Schedule "A" attached hereto and made a part hereof.
8. The Villages shall allocate revenues and finance costs in accordance with Schedule "A". Approval of bills for payment is to be given first by the Board and finally by the Carthage Village Board. The Village of West Carthage Board may audit the receipts and disbursements at any time.
9. The Villages will each continue to set their own respective water and sewage charges for services within the respective Villages.
10. All legal expenses required by the Management Board and all employee and payroll expenses shall be paid from the operation and management monies of the sewage plant. Any additional bonding expenses shall be paid from the operation and management monies of the sewage plant.

11. The Management Board shall set guidelines for seminars and training for personnel of the sewage plant, and these expenses will be part of the operation and management budget.
12. The Management Board shall issue written rules and regulations on various matters as it deems appropriate. Such rules and regulations must be approved by each respective Village Board before becoming effective.
13. Neither the Manager nor any employee shall accept any gifts in excess of twenty-five dollars (\$25.00) in any calendar year from any vendor.
14. It shall be the responsibility of the Management Board and the Manager of the plant to keep appropriate records and issue appropriate reports to all entities required by law and each respective Village Board.
15. The Treasurer of the Village of Carthage will supervise the bookkeeping, sign the checks along with the President, and maintain appropriate bank accounts, which shall be separate from other accounts. The Treasurer of the Village of Carthage shall see that cash receipts and disbursements journal are maintained and that

fiscal reports are filed with the Office of the State Comptroller. The Management Board shall propose a fair remuneration for the Treasurer of the Village of Carthage for these services.

16. Should any item paragraph, sentence, clause or phrase of the Agreement declared unconstitutional or invalid for any reason by any court of competent jurisdiction, the remainder of the Agreement shall not be affected thereby.
17. The term of this agreement shall commence upon its ratification by the Village Boards and shall continue until May 31, 2027. Thereafter the parties may renew or renegotiate this Agreement.
18. The Management Board shall, as it deems appropriate, make proposals to modify or expand this Agreement to the respective Village Boards.

IN WITNESS WHEREOF, the parties hereto have hereunto
set their hands and seals as of the day and year first
above written.

VILLAGE OF CARTHAGE

By: G. Wayne McIlroy
G. Wayne McIlroy, President

VILLAGE OF WEST CARTHAGE

By: Scott M. Burto
Scott Burto, , Mayor

STATE OF NEW YORK)
) ss.:
COUNTY OF JEFFERSON)

On the 15th day of October in the year 2008 before me, the undersigned, a Notary Public in and for said state, personally appeared G. Wayne McIlroy, President, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Linda M. Weir
Notary Public

LINDA M. WEIR
Notary Public, State of New York
Qualified in Jeff Co. No. 4674394
My Commission Expires 1/31/2011

STATE OF NEW YORK)
) ss.:
COUNTY OF JEFFERSON)

On the 15th day of December in the year 2008 before me, the undersigned, a Notary Public in and for said state, personally appeared Scott Burto, Mayor, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Linda M. Weir
Notary Public

LINDA M. WEIR
Notary Public, State of New York
Qualified in Jeff Co. No. 4674394
My Commission Expires 1/31/2011

SCHEDULE "A"

STEP 1 The Villages of Carthage and West Carthage are required to make payments consisting of the following items:

- A. An amount equal to the principal and interest on the Municipality's Contract Obligations and the Municipality's Debt Service Reserve Fund Obligations;
- B. An amount equal to the Operation and Maintenance Expenses of the Water Pollution Control Facilities;
- C. Contract Principal Payments are payable annually, Contract Interest Payments are payable semi-annually, and Operation and Maintenance Payments are payable quarterly.

STEP 2 The Village of Carthage and the Village of West Carthage agree to share among themselves the payment of the above Contract Payments on the basis of Formula I and Formula II, subject to the following qualifications:

FORMULA I assigns 64.2% of the specified items of the Contract Payments to the Village of Carthage and 35.8% thereof to the Village of West Carthage.

FORMULA I Applies To:

- The amounts provided for under A and C above.
- The amounts provided for under B above, to the extent of the administrative services.

FORMULA II assigns a percent of the specified items of the Contract Payments to the Village of Carthage and to the Village of West Carthage respectively, and which said percent will be an aggregate of the following three (3) factors:

Flow of sewage from each Village to the total flow into the sewage treatment works (weighted

31%), biochemical oxygen demand (BOD) of sewage into the sewage treatment works (weighted 34%), and suspended solids from each Village to the total suspended solids of sewage into the sewage treatment works (weighted 35%). In connection with the foregoing determination, sewage from each Village means sewage inclusive of any sewage (industrial waste and sanitary sewage) from any industrial plant served by the respective Village sewer system.

FORMULA II Applies to:

In fixing the amount of the Village Share of each Village in addition to the use of all of the foregoing FORMULAS, adjustment in such amount shall be made to reflect the proportionate effect of any adjustment (debit or credit) made for Contract Payments under the terms of its Contract with the Village of Carthage and the Village of West Carthage. Similarly, adjustment in such amount shall be made to reflect the proportionate effect of any supplemental Contract Payments or any credit in ensuing Contract Payments.

The Village Share of each Village shall be computed on an annual basis. Each annual Village Share shall cover a period such as will correspond with such twelve month period designated by the Villages as will enable the Villages to obtain funds to make their Contract Payments at the times required. Initially at the commencement of operation of the Sewage Treatment Works the first annual Village Share period can be prorated for a partial period of less than twelve months in order that the next annual Village Share can cover the normal designated period.

In using FORMULA II in the determination of the annual Village Share of each Village, the flow of sewage is to be that measured cumulatively over a twelve month period preceding such annual Village Share period, and the biochemical oxygen demand (BOD) and suspended solids (SS) are those measured cumulatively on a daily composite sample over such twelve month period. If agreed to by

the parties, measurement for flow, biochemical oxygen demand or suspended solids for use in FORMULA II can be based on a period other than the preceding twelve months. All measuring and sampling performed for use in FORMULA II shall be made on a consistent basis with the measuring and sampling performed for use in similar FORMULA under the Contract between the Village of West Carthage and Climax Manufacturing Company.

The percentages assigned to each Village under FORMULA I shall remain fixed for the duration of this Contract. By separate Contract, Climax Manufacturing Company is agreeing to pay a fixed percentage of the Village Share of the Village of West Carthage under FORMULA I. In the event that at some future date Climax Manufacturing Company defaults in paying its fixed percentage of the Village Share of the respective Village under FORMULA I and no successor-in-interest assuming the obligation of such Corporation or Company, then the respective Village will still be under the obligation to pay the assigned percentage under FORMULA I, provided, however, that in such situation the Villages agree to enter into negotiations so that the Village with the non-defaulting Corporation or Company will make a separate payment to the Village with the defaulting Corporation or Company to contribute a reasonable amount towards the increased amount such Village with the defaulting Corporation or Company is actually required to bear under FORMULA I because of such default.

SCHEDULE A

CAPACITY

The capacity assigned to the Village of Carthage, referring to the sewage from the Village of Carthage being treated at the Village Sewage Treatment Plant, is an average flow of 2,160,000 gallons daily, an average of 4,560 pounds of biochemical oxygen demand daily, and an average of 5,826 pounds of suspended solids daily; all determined on a monthly basis.

The capacity assigned to the Village of West Carthage, referring to the sewage from the Village of West Carthage including that of Climax Manufacturing Company and of the Carthage Central School, being treated at the Village's Sewage Treatment Plant, is an average flow of 1,230,000 gallons daily, an average of 2,306 pounds of biochemical oxygen demand daily, and an average of 2,955 pounds of suspended solids daily; all determined on a monthly basis.

In addition, there is a reserve capacity of an average flow of 610,000 gallons daily, an average of 3,134 pounds of biochemical oxygen demand daily and an average of 9,219 pounds of suspended solids daily; all determined on a monthly basis. This reserve capacity is available for use by the Villages to be divided between them in proportion to their respective needs.

SCHEDULE A

MEASURING AND SAMPLING

The volume of the flow of sewage from the respective Villages is to be measured by meters installed by the Village at a point or points which permit accurate measurement. The strength of the sewage from the respective Villages is to be measured by appropriate continuous sampling devices at a point or points which permit accurate measurement.

Measuring and sampling is to be conducted in such a manner as to fairly reflect the amounts and characteristics of the sewage, including industrial wastes and sanitary sewage, as are being treated and disposed of, in accordance with uniform procedures as are recognized in the engineering profession.

SCHEDULE A

The following terms shall have the following meanings unless the context shall clearly indicate some other meaning:

"Operation and Maintenance Expenses" shall mean the Management Board's reasonable and necessary expenses of carrying out and administering its powers, duties and functions in connection with the operation or maintenance of Projects, as authorized by the Act, and shall include without limiting the generality of the foregoing: administrative expenses, legal, accounting, engineering and consultant's services and expenses, insurance premiums, payments to pension, retirement, health and hospitalization funds, and any other expenses required or permitted to be paid under the provisions of the Act or this Resolution or otherwise provided, however, that "Operation and Maintenance Expenses" shall not include any provisions for (i) depreciation, amortization or similar charges, (ii) costs or expenses incurred for Construction or (iii) deposits or transfers of monies to the credit of any fund or account established hereunder.

"Bond" or "Bonds" shall mean any Bond or the issue of Bonds, as the case may be, established and created by this Resolution and issued pursuant to a Series Resolution.

"Contract Interest Payment" shall mean that portion of a Contract Payment made or required to be made by a Municipality pursuant to a Contract which represents the payment of interest due or to become due on the Municipality's Contract Obligations in respect of the Project to which such Contract relates.

"Contract Payment" shall mean the amounts paid or required to be paid, from time to time, by a Municipality pursuant to a Contract, which amounts paid or required to

be paid shall be at least sufficient to meet the requirements of Section 911.

"Contract Principal Payment" shall mean that portion of a Contract Payment made or required to be made by a Municipality pursuant to a Contract which represents the payment of principal due or to become due on the Municipality's Contract Obligations in respect of the Project to which such Contract relates.

"Contract Obligations" shall mean that portion of the Bonds issued to obtain funds with which to pay the Net Cost of Projects, as certified to the Trustee pursuant to Section 609.

"Debt Service Reserve Fund Obligations" shall mean that portion of the Bonds, as certified to the Trustee pursuant to Section 609, issued to obtain funds with which to (i) establish the Debt Service Reserve Fund in the amount of the Debt Service Reserve Fund Requirement, and (ii) establish the Debt Service Reserve Repayment Fund in an amount required to be on deposit therein pursuant to Section 607.

"Depository" shall mean the bank or trust company appointed pursuant to Section 801 to act as depository hereunder, and its successor or successors and any other bank or trust company at any time substituted in its place pursuant to this Resolution.

"Municipality" shall mean any county, city, town, village, district corporation, county or town improvement district, sewer authority now existing in a city, or any two or more of the foregoing which are acting jointly in connection with a Sewage Treatment Works; and in particular shall mean the Village of Carthage and the Village of West Carthage, acting jointly in connection with a Sewage Treatment Works.

"Municipality's Allocable Proportion" shall mean the proportionate amount of the total requirement in respect of which the term is used determined by the ratio that the aggregate of the Municipality's Contract Obligations bears to the total of all Contract Obligations.

"Municipality's Contract Obligations" shall mean the proportionate amount of bonds issued for the purpose of obtaining funds to pay the Net Cost of Projects pursuant to Contracts with such Municipality, as certified to the Trustee pursuant to Section 609.

"Municipality's Debt Service Reserve Fund Obligations" shall mean the Municipality's proportionate obligation with respect to the payment of the principal of and interest on the Debt Service Reserve Fund Obligations, as certified to the Trustee pursuant to Section 609.

"Net Project Cost" or "Net Cost" shall mean Project Cost or Cost less any grants made by the United States of America or any agency or instrumentality thereof and any grants made by the State or any agency or instrumentality thereof and any grants made by the State or any agency or instrumentality thereof.

"Notes" shall mean any obligations issued, other than Bonds, to finance the Net Cost of Project pursuant to paragraph (b) of Subdivision 3 of Section 1285 of the Act.

"Paying Agent" for the bonds of any Series shall mean the bank or trust company and its successor or successors, appointed pursuant to the provisions of this Resolution to act as paying agent for the Bonds of such Series.

"Project Cost" or "Cost" shall mean, together with any proper item of cost not specifically mentioned herein, the total of all costs of Construction of any Sewage Treatment works permitted by law to be incurred with respect

to a Project and the costs of financing thereof, including, the cost of acquisition of any land or interest therein required as the site of the Project or for use in connection therewith, interest on the Municipality's Contract Obligations with respect to the Project payable during the Period of Construction, the cost of any indemnity and surety bonds and premiums on insurance during construction, Administrative and Operating Expenses with respect to the Project during the Period of Construction, the Construction Administrative Fee, legal fees, fees and expenses of the Trustee, the Depository and Paying Agents of the Bonds during the Period of Construction of the Project, cost of issuance of the Bonds and financing charges and fees and expenses of financial advisors or consultants in connection therewith properly chargeable to the Project, costs of audits, the cost of all machinery, apparatus and equipment, cost of engineering, architectural services, plans, specifications and surveys, estimates of cost, the reimbursement of all moneys advanced or applied by the State, or any agency or instrumentality thereof, or otherwise, for the payment of any item or items of cost of the Project, and all other expenses necessary or incident to determining the feasibility or practicability of the Project, and such other expenses not specified herein as may be necessary or incident to the acquisition, construction, development and equipment of the Project, the financing thereof and the placing of the same in operation.

"Resolution" shall mean this General Contract Revenue Bond Resolution as from time to time amended or supplemented by Supplemental Resolutions in accordance with the terms and provisions hereof.

"Sewage Treatment Works" shall mean a facility for the purpose of treating, neutralizing or stabilizing sewage, including

treatment or disposal plants, the necessary intercepting, outfall and outlet sewers, pumping stations integral to such plants or sewers, equipment and furnishings thereof and their appurtenances.

"Trustee" shall mean the bank or trust company appointed pursuant to Section 801 to act as trustee hereunder, and its successor or successors and any other bank or trust company at any time substituted in its place pursuant to this Resolution.

